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Central Intelligence Agency



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## DIRECTORATE OF INTELLIGENCE

9 October 1987

India-Pakistan: Prospects for Confidence-  
Building Measures [redacted]

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## Summary

Atmospherics between India and Pakistan improved for a while after a meeting between Prime Minister Rajiv Gandhi and President Zia. Typically, however, progress is negligible and accusations and threats break out at lower echelons. The cycle was repeated this year as Zia's trip to India in February led to a relaxation of tension over India's "Brass Tacks" military exercise but in the ensuing months Indian concerns over Pakistan's effort to acquire an Airborne early warning system and renewed fighting on the Siachin Glacier came to dominate relations. Suspensions center on nuclear weapons proliferation, military intentions, the disputed status of Kashmir, and allegations that each assists separatist movements. [redacted]

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We believe that India and Pakistan at best will make erratic progress toward rapprochement. New Delhi and Islamabad probably can make some progress on bilateral trade--perhaps moving surplus cotton from Pakistan to ease drought-induced shortfalls in India--cultural and educational exchanges, and the reopening of a rail link. [redacted]

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Office of Near Eastern and South Asian Analysis, at the request of the  
National Security Council. Information as of 8 October 1987 was used in  
its preparation. Comments and queries are welcome and may be directed to  
the Chief, South Asia Division, NESA [redacted]

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Gandhi probably will be open to discussions of US concerns about nuclear proliferation and other security matters if placed in the context of recent US-Soviet progress on disarmament. He also may be more receptive to suggestions that the nuclear issue be discussed in a forum that includes countries from outside the South Asia region. Similarly, the United States may be able to facilitate antiterrorism and antinarcotics cooperation through bilateral programs with each that eventually could lead New Delhi and Islamabad to work together. [redacted]

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Defense and Security: Little Hope for Progress

India and Pakistan have little success developing confidence-building measures when defense and security interests are at stake--precisely the areas where the United States would like to see progress. Partition and three wars have made Indo-Pakistani relations a highly sensitive issue for politicians, military officials, and citizens in both countries. These memories help drive the development of nuclear weapons, spur conventional weapons procurement, prolong the Kashmir dispute, and raise suspicions about cross-border meddling of all sorts. The best prospect for building mutual confidence on these issues may be to engage both countries in multilateral disarmament, nonproliferation, and antiterrorism efforts. We believe there is little prospect that the two will achieve a breakthrough on their own. [redacted]

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Nuclear Weapons Programs. We believe that concerns about clandestine nuclear weapons development are the greatest roadblock to better relations. A bilateral agreement forswearing nuclear weapons is unlikely; the requisite trust does not exist. The ongoing controversy between the United States and Pakistan over Pakistani efforts to circumvent US nuclear export controls has reinforced the mistrust felt by Indian policymakers and lessened New Delhi's incentives to make concessions. The promising December 1985 Zia-Gandhi pledge not to attack each other's nuclear installations has not been formalized [redacted]

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[redacted] The US Embassy in New Delhi speculates that Gandhi has bowed to the view of India's defense establishment that Pakistan would gain more from the agreement and has placed it on hold. [redacted]

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Despite the problems, the two sides have shown some initiative on the nuclear issue. India's Ambassador to the United States recently stated that in exchange for expanded trade, cultural ties, and the reopening of the Khokhropar-Munabao rail crossing, New Delhi would make concessions on the nuclear issue. These might include joining in a conference on [redacted]

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nonproliferation, provided it included China and other non-declared nuclear weapons states. India was invited to participate in the Pakistani Institute of Strategic Studies Conference on nonproliferation in South Asia in September held in Islamabad but did not send a speaker. India's former Foreign Secretary M. K. Rasgotra did attend in an unofficial capacity. Pakistani Prime Minister Junejo in his recent address to the United Nations called for a regional conference on nonproliferation under United Nations auspices, although the Foreign Secretary told the US Ambassador that Islamabad rejects the idea of economic concessions in exchange for better relations. [redacted]

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With little prospect for a bilateral agreement on nonproliferation, we believe progress is more likely in a wider regional context. [redacted]

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[redacted] Gandhi also has taken an active role in the Six-Nation Disarmament Initiative, an ad hoc group also involving Sweden, Mexico, Argentina, Greece and Tanzania, and may be receptive to suggestions encouraging that group or the United Nations to undertake a new initiative that includes Pakistan. [redacted]

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Defense. Both New Delhi and Islamabad suspect that the other's buildup of conventional military capabilities is targeted at them. New Delhi cites Pakistan's acquisition of F-16 fighter aircraft and requests for an airborne early warning capability and the M1A1 main battle tank as directed against India and part of an effort by Islamabad and Washington to insert the United States into South Asia. Pakistan retorts that Indian purchases of advanced Soviet MiG aircraft, including the state-of-the-art MiG-29, a blue water navy, and T-72 tanks must be seen as giving New Delhi a capability to coerce its neighbors, including Pakistan. [redacted]

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Although negotiations to merge the "No War Pact" (Pakistan's idea) and the "Mutual Treaty of Peace and Friendship" (India's) are stalled, the two countries have made some progress on border issues. Embassy reporting suggests little chance of a breakthrough in negotiations; Pakistan will not accept the key Indian demands forswearing foreign bases in Pakistan and restricting negotiations on the Kashmir dispute to bilateral talks. Nonetheless, the two sides negotiated two border disengagement agreements in 1987. Chastened by the war scare arising out of India's "Brass Tacks" exercise, Foreign Ministry and Border Security officials met in early September in Lahore to complete details on a revision of the 1960 border ground rules. A Pakistani foreign ministry official told the US Ambassador that Pakistan is ready to accept joint border inspection committees. The [redacted]

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atmosphere may now exist for better advance notification of major training exercises, one of the root causes of the "Brass Tacks" crisis. As a long-term objective, Pakistan seeks a comprehensive mutual and balanced forces reduction along the border, while India is interested in considering only selective withdrawals. [REDACTED]

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Kashmir and the Siachin Glacier. Islamabad and New Delhi tacitly accept the partition of Kashmir. Domestic political sensitivities, however, preclude formal recognition of the partition. President Zia labeled Kashmir "the most difficult and acute" of the obstacles to normalization of relations with India at the Organization of Islamic Countries summit in January. His pledge "to strive for a settlement of the dispute in accordance with the resolution of the United Nations and in the spirit of the Simla Agreement" angered India because it implied that Pakistan is not committed to the Simla agreement that India interprets as requiring a bilateral resolution of the Kashmir question. New Delhi is particularly irritated that Pakistani leaders persist in raising Kashmir in international fora as Prime Minister Junejo did in his UN speech. [REDACTED]

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The Siachin Glacier is a frequent flashpoint along the Indo-Pakistani border. The glacier, which India occupied in April 1984, extends over the Pakistani side of the agreed upon line-of-control in Kashmir. The terrain is of little military significance, but clashes have taken on symbolic political importance, with neither side wishing to be seen a loser. No one wants an escalation of hostilities, but there have been at least two clashes over the summer. India last week claimed a victory in the latest fighting by overrunning four border posts. [REDACTED]

[REDACTED] Talks to discuss the border dispute were held in 1986 at the Defense Secretary level, but a proposed third round has yet to be scheduled. We believe that neither side feels it can risk the negative popular reaction a "sellout" on Kashmir or the Siachin could provoke. Pakistan has declared it would be willing to accept third-party arbitration, but India insists on a bilateral solution, according to diplomatic reporting. [REDACTED]

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Aid to Separatist Movements. Suspicions about low-level encouragement to separatists--Sikhs by Pakistan, Sindhi nationalists by India--have also soured relations. At a December 1986 Foreign Secretaries' meeting, Pakistan proposed an agreement, public or private, that would have halted support for secessionists. The US Embassy in New Delhi reports that India rejected the proposal, asserting it would be a tacit acknowledgment of Indian assistance to terrorists in Pakistan. Both countries continue to trade public charges of assistance, but the evidence for complicity is not clear cut. We do believe that Pakistan maintains low-level contact with Sikh separatists. [REDACTED]

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### Better Prospects for Improved Trade and Cultural Ties

We believe New Delhi and Islamabad have a better chance of improving relations by expanding trade and cultural exchanges. Such agreements have a better chance of being viewed by domestic constituents as mutually advantageous. Even in these areas, however, mutual mistrust dogs each step. [REDACTED]

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Travel and Cultural Exchanges. Travel and cultural exchanges are areas where we detect the development of greater trust between India and Pakistan. Visa restrictions have been eased during the past ten years. More Indian officials meet with Pakistani officials on a routine or periodic basis than ever before. Pakistan remains reluctant to admit the entry of most Indian publications, but the two nations have exchanged correspondents. According to US diplomatic reporting, there is considerable interest in academic exchanges. [REDACTED]

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In 1985, the two states tentatively agreed to reopen the Khokhropar-Munabao rail crossing that links southern Pakistan with India. This initiative is presently on hold, but we believe there may be sufficient sentiment on both sides to revive the initiative. Prime Minister Junejo wants to reopen the crossing to bolster his political support in Sind Province, according to US Embassy reports. The Indians, angered by Pakistan's handling of the September 1986 hijacking of the Pan Am flight in Karachi that carried mostly Indian passengers and Zia's discussion of the Kashmir dispute in the Nonaligned Movement summit in Harare in late 1986, signaled their displeasure by delaying the signing, according to the US Embassy in New Delhi. This year the "Brass Tacks" war scare reenforced fears within the Pakistani military that reopening this border crossing would pose an unacceptable security threat, according to the US Embassy in Islamabad. [REDACTED]

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Trade. A cautious dialogue on increasing bilateral trade continues. New Delhi seeks most-favored nation trading status for its political significance, but Islamabad worries about protecting its domestic economy against Indian domination. Diplomatic reporting suggests that there is considerable private-sector interest in freer trade in both countries. The Indo-Pakistani subcommission on trade met most recently in August and is scheduled to meet again in November. Pakistan tabled a list of 249 trade

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list and continues to press for most-favored nation trading status and completely open private-sector trade. [REDACTED]

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India probably would accept a gradual expansion of trade with Pakistan and a temporary trade imbalance in Pakistan's favor to assuage Pakistani fears that Indian exports would destroy Pakistan's indigenous industries, according to the US Embassy in New Delhi. Islamabad, however, is leery of using the trade issue as a bargaining chip to win concessions on more sensitive issues, such as nuclear confidence-building measures. Recent economic developments in India could provide an opening for some movement on the trade issue. Drought conditions have damaged the country's cotton crop, prompting New Delhi to lift cotton import restrictions and clamp down on textile exports to ensure meeting domestic demand. Pakistan, on the other hand, has surplus cotton. [REDACTED]

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Narcotics Control. New Delhi and Islamabad publicized antinarcotics as a key area for increased bilateral cooperation early in 1986, and several exploratory meetings were held--with the encouragement of Washington. Senior Indian and Pakistani officials have agreed that cooperation between antinarcotics officials and border security forces are the necessary first steps toward increased border interdiction. Both governments have also encouraged the South Asia Association for Regional Cooperation (SAARC) to make regional antidrug cooperation in a priority issue. [REDACTED]

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We believe New Delhi's and Islamabad's suspicions and conflicting national interests tangential to the antidrug effort will eventually obstruct these tentative steps toward effective antinarcotics cooperation. Long-term success in drug interdiction would require Islamabad and New Delhi to share sensitive intelligence regarding troop placements, border security tactics, and the involvement of high-level officials in drug trafficking. Both sides probably will be content to seek maximum public relations value from only minimal compliance with any bilateral agreement on drug interdiction for the foreseeable future to appease both domestic and international pressure for some movement on the issue. [REDACTED]

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#### Outlook

We believe improvement in Indo-Pakistani relations will depend on the willingness of Gandhi and Zia to take chances and to participate in international undertakings--such as antiterrorism and antinarcotics efforts. Both are likely to face considerable opposition from their subordinates in government and from their political opponents if they move boldly. Gandhi has been weakened by infighting in his Congress Party and probably believes that a "hard line" toward Pakistan will be domestically advantageous. Zia probably will be reluctant to be seen making concessions to New Delhi at a time when he faces external pressure on Afghanistan and his nuclear program. [REDACTED]

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